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E.O. 12356: DECL: OADR
TAGS: OREP, PE
SUBJECT: CODEL BRADLEY WRAP-UP

REFS: (A) LIMA 00650, (B) LIMA 00155

1. (C-ENTIRE TEXT).

2. FOLLOWING IS CLEARED REPORT ON SENATOR BRADLEY'S
VISIT TO PERU. REQUEST FULL DISTRIBUTION.

3. SUMMARY: SENATOR BILL BRADLEY MADE AN OFFICIAL VISIT TO PERU ON JANUARY 14-16. HE MET WITH PRESIDENT ALAN GARCIA, PRIME MINISTER AND MINISTER OF ECONOMY LUIS ALVA CASTRO, MINISTER OF THE INTERIOR ABEL SALINAS, CENTRAL RESERVE BANK PRESIDENT LIONEL FIGUEROA, FOREIGN MINISTER ALLAN WAGNER AND OTHER IMPORTANT FIGURES. THE CENTER-PIECE OF THE SENATOR'S VISIT WAS HIS VERY CORDIAL CONVERSATION WITH PRESIDENT GARCIA, DURING WHICH THE SENATOR EMPHASIZED AND REITERATED THE NEED FOR GARCIA TO DEFINE AND COMMUNICATE SPECIFIC PLANS FOR BRINGING ABOUT A MUTUALLY ACCEPTABLE SOLUTION TO PERU'S DEBT RESCHEDULING PROBLEMS. SENATOR'S MESSAGE THROUGHOUT EMPHASIZED NEED FOR GOP TO MAKE PAYMENTS NOW, EVEN IF ONLY NOMINAL IN SOME CASES, BECAUSE OF THEIR SYMBOLIC IMPORTANCE AND TO STRENGTHEN HAND OF THOSE WHO WISH TO HELP PERU. THE SENATOR RAISED WITH THE MINISTER OF INTERIOR AND WITH THE PRESIDENT OF THE JOINT COMMAND THE PROBLEMS OF TERRORISM AND NARCOTRAFFICKING AND DISCUSSED WAYS TO IMPROVE PERU'S ABILITY TO FIGHT THE NARCOIICS PROBLEM. MEETINGS WITH ALVA CASTRO AND WITH FIGUEROA CENTERED ON THE GOP'S ECONOMIC POLICIES TO OVERCOME THE CRISIS, INCLUDING EFFORTS TO REFINANCE THE DEBT, TO STIMULATE INVESTMENT IN PRODUCTION AND TO ENGAGE IN DIALOGUE WITH PRIVATE CREDITORS. OTHER MEETINGS INCLUDED A SHORT VISIT TO SENATE PRESIDENT LUIS ALBERTO SANCHEZ AND A LUNCHEON AT THE RESIDENCE WITH NINE PERUVIAN SENATORS. DURING LATTER, SENATOR BRADLEY AND HIS INTERLOCUTORS ALSO DISCUSSED THE TREATMENT OF THE FOREIGN DEBT AS A KEY FACTOR IN THE BILATERAL RELATIONSHIP BETWEEN THE U.S. AND PERU. BRADLEY ALSO ATTENDED A RECEPTION IN HIS HONOR FOR OVER 50 PERUVIAN NOTABLES. END SUMMARY.

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4. BREAKFAST WITH FORMER PRESIDENT BELAUNDE. THE BREAKFAST WITH BELAUNDE WAS A RELAXED SESSION, WITH THE FORMER PRESIDENT PRAISING MANY OF GARCIA'S ACTIONS AND THE POSITIVE EFFECTS OF HIS DYNAMISM ON PERU'S ECONOMIC AND SOCIAL PROBLEMS. HE ATTRIBUTED GARCIA'S INEVITABLE MISTAKES, SUCH AS THE RESCISSION OF THE OIL CONTRACTS, TO HIS YOUTH AND RELATIVE INEXPERIENCE, WHILE INDICATING A DESIRE TO BE SUPPORTIVE OF THE PRESIDENT AT A CRITICAL MOMENT FOR THE COUNTRY. AS USUAL, BELAUNDE'S COMMENTS FOCUSED HEAVILY ON HIS EXPERIENCE IN AND DREAMS FOR THE CONTINENT'S STILL UNDEVELOPED INTERIOR/JUNGLE REGIONS.

5. MEETING WITH PRESIDENT OF JOINT COMMAND OF THE ARMED FORCES. SENATOR BRADLEY, ACCOMPANIED BY AMBASSADOR JORDAN, CALLED ON GENERAL GUILLERMO MONZON, PRESIDENT OF THE JOINT COMMAND AND COMMANDING GENERAL OF THE ARMY. ALSO PRESENT WERE THE COMMANDING GENERAL OF THE AIR FORCE, GENERAL LUIS ABRAM, AND ADMIRAL VICTOR NICOLINI, COMMANDING GENERAL OF THE NAVY. GENERAL MONZON DISCUSSED JOINT COMMAND'S ROLE AND ITS JURISDICTION IN PERU. HE EXPLAINED THAT THE PERUVIAN MILITARY IS CHARGED WITH CONDUCTING ANTI-TERRORIST OPERATIONS IN THE EMERGENCY ZONE, WHILE THE INTERIOR MINISTRY IS RESPONSIBLE FOR DEALING WITH TERRORISM AND SUBVERSION IN OTHER AREAS. SENATOR BRADLEY MENTIONED SUPPORT PRESIDENT GARCIA HAS GARNERED IN U.S. FOR HIS STATEMENTS THAT PERU WOULD WAGE A WAR AGAINST NARCOTICS TRAFFICKERS. THIS SUPPORT HAS BEEN HINDERED, HOWEVER, BECAUSE PERU HAS NOT SUBMITTED A PLAN OF ACTION. GENERAL MONZON ANSWERED BY SAYING THAT THIS WAS THE RESPONSIBILITY OF THE MINISTRY OF INTERIOR SINCE, UNDER THE CONSTITUTION, THE MILITARY WAS PROHIBITED FROM FIGHTING THE NARCOTICS TRAFFICKERS. THEY WOULD, HOWEVER, PROVIDE LOGISTIC SUPPORT WHEN REQUESTED. GENERAL ABRAM STATED THAT THERE WAS A DEFINITE LINK BETWEEN NARCOTRAFFICKERS AND TERRORISTS IN PERU. GENERAL MONZON MADE A STRONG PLEA FOR REESTABLISHMENT OF FMS FUNDS, AND SENATOR BRADLEY EXPLAINED BROOKE-ALEXANDER RESTRICTIONS. BOTH SIDES AGREED TO TRY TO WORK ON THE PROBLEM, I.E. BRADLEY WOULD ASSIST IN OBTAINING RELIEF FROM THE ASSISTANCE SIDE, WHILE THE GOP WOULD PAY OFF DEBTS WHICH TRIGGERED BROOKE-ALEXANDER.

6. MEETING WITH INTERIOR MINISTER ABEL SALINAS. QUERIED BY SENATOR BRADLEY ON THE GOP ANTINARCOTICS PLAN, SALINAS REFERRED SPECIFICALLY TO THE ONGOING "CONDOR"

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OPERATION AND NOTED IT COULD NOT HAVE BEEN IMPLEMENTED WITHOUT USG FINANCING. HE ADDED THAT THE GOP WOULD REMAIN AT A DISTINCT DISADVANTAGE IN ITS CONTINUING STRUGGLE, GIVEN THE ECONOMIC MIGHT OF TRAFFICKERS AND PERU'S INADEQUATE RESOURCES FOR COMBATTING THEM. HE SAID THAT TRAFFICKERS HAVE RECENTLY MOVED THEIR OPERATIONS CLOSE TO CERTAIN COMMUNITIES, WHERE THEY HAVE SUCCEEDED IN GETTING LOCAL RESIDENTS INVOLVED IN SUPPORT OF TRAFFICKING ACTIVITIES. SALINAS CITED LACK OF AN ADEQUATE CIVILIAN INTELLIGENCE AND INFORMATION MANAGEMENT SYSTEM AS A MAJOR PROBLEM AND ADDED THAT THIS ISSUE WAS GIVEN PROMINENT PLAY IN THE POLICE REORGANIZATION PROPOSAL CURRENTLY BEFORE THE CONGRESS.

7. LUNCHEON AT RESIDENCE WITH PERUVIAN SENATORS. DURING A LUNCHEON GIVEN AT THE RESIDENCE BY AMBASSADOR JORDAN, SENATOR BRADLEY AND PERUVIAN SENATORS DISCUSSED THE FOREIGN DEBT AND ITS IMPACT ON BILATERAL RELATIONS.

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INCLUDED AMONG THE NINE INVITED SENATORS WERE SENATE VICE PRESIDENT CARLOS ENRIQUE MELGAR (APRA), ECONOMIC COMMITTEE MEMBER RAMON PONCE DE LEON (APRA), ENRIQUE BERNALES (UNITED LEFT - IU), FELIPE OSTERLING (PPC), AND OTHERS. MELGAR AND PONCE DE LEON DEFENDED THE GOP'S DECISION TO LIMIT AMOUNT OF REPAYMENT OF FOREIGN DEBT TO ONLY 10 PERCENT OF ANNUAL EXPORTS EARNINGS, GIVEN PERU'S DESPERATE ECONOMIC SITUATION. SENATOR BRADLEY IMPRESSED UPON GUESTS (SOME OF WHOM WILL SOON VISIT WASHINGTON TO DISCUSS ECONOMIC ISSUES) THE NEED TO HAVE THE PERUVIAN GOVERNMENT PROVIDE CREDITORS WITH A REALISTIC AND DETAILED DEBT REPAYMENT PROPOSAL. HE EXHORTED THEM NOT TO RELY ON PERCENTAGE FORMULAS BUT TO USE THEIR SKILLS AND IMAGINATION TO COME UP WITH REPAYMENT OPTIONS THEY COULD EFFECTIVELY NEGOTIATE WITH PERU'S CREDITORS. THE LUNCHEON MEETING WAS EXTREMELY CORDIAL THROUGHOUT. SENATOR BRADLEY'S WORDS PROMPTED SENATOR PONCE DE LEON TO STATE THAT HIS SENATORIAL COLLEAGUES ARE DETERMINED TO "SPEAK OUT CLEARLY" DURING THEIR OFFICIAL VISIT TO WASHINGTON. HE REQUESTED THAT SENATOR BRADLEY CONVEY TO THE U.S. SENATE HIS COLLEAGUES' DESIRE TO ENGAGE IN A FRUITFUL DIALOGUE ON THE DEBT ISSUE.

8. MEETING WITH PRESIDENT GARCIA. THE CENTERPIECE OF THE SENATOR'S VISIT WAS HIS VERY CORDIAL ONE-HOUR PLUS CONVERSATION WITH PRESIDENT GARCIA. WITH THE DIALOGUE FACILITATED BY THEIR PREVIOUS CORRESPONDENCE AND WITH GARCIA IN A PREDOMINANTLY RECEIVING MODE, THE DISCUSSION SHIFTED EASILY THROUGH A LENGTHY AGENDA. THE SENATOR EMPHASIZED AND REITERATED THE NEED FOR GARCIA TO DEFINE AND COMMUNICATE SPECIFIC PLANS FOR BRINGING ABOUT A MUTUALLY ACCEPTABLE SOLUTION TO PERU'S DEBT RESCHEDULING PROBLEMS. HE URGED GARCIA TO MAKE PAYMENTS NOW, EVEN IF ONLY NOMINAL IN SOME CASES, BECAUSE OF THEIR SYMBOLIC IMPORTANCE AND TO STRENGTHEN THE HAND OF THOSE WHO WISH TO HELP PERU. GARCIA RESPONDED THAT THAT WAS HIS INTENTION, NOTING THAT HE HAD JUST ORDERED A PAYMENT TO THE IMF TO AVOID PERU'S BEING TERMED INELIGIBLE FOR CERTAIN BENEFITS OF THE INTERNATIONAL MONETARY SYSTEM. IN A BROADER SENSE, HE STATED "CONFIDENTIALLY" THAT HIS AIM WAS TO BUY TIME -- FOR RESCHEDULING CONDITIONS TO EASE AND INTEREST RATES TO DECLINE FURTHER. TO THE SENATOR'S EXPRESSIONS OF CONCERN FOR THE GOP'S CONNECTIONS WITH THE USSR, AND PARTICULARLY THE ARMS SUPPLY RELATIONSHIP, GARCIA EMPHASIZED THAT HIS TWO VISITS TO MOSCOW HAD ONLY CONVINCED HIM THAT THE SOVIET MODEL WAS A POOR ONE. THE SENATOR ALSO EMPHASIZED THE CRUCIAL IMPORTANCE OF PRIVATE SECTOR AND FOREIGN INVESTMENT TO PERU'S GROWTH PROSPECTS, AT A TIME OF LIMITED CAPITAL IN-FLOWS THROUGH OTHER CHANNELS. TO THE SENATOR'S RECOGNITION OF GARCIA'S ROLE IN COMBATTING THE NARCOTICS TRAFFIC, THE PRESIDENT RESPONDED THAT HE SAW THE PROBLEM AS A MORAL ONE FOR PERU, AS WELL AS OPPORTUNITY FOR HIM TO MAKE A POSITIVE GESTURE TOWARDS THE U.S.

THE PRESIDENT RAISED WHAT HE VIEWED AS THE U.S. ADMINISTRATION'S "OBSESSION" WITH NICARAGUA AT A TIME WHEN THE GON WAS SEEKING TO BORROW FUNDS TO SETTLE WITH THE IMF. THE SANDINISTA REGIME IS NEARING THE END, HE SAID, WITH CUBA LIKELY TO FOLLOW IN DUE COURSE. HE ALSO DWELT AT LENGTH ON WHAT HE TERMED HIS "MOST IMPORTANT PROBLEM," THE TRANSFER OF RESOURCES FROM THE NATION'S DEVELOPED ONE-QUARTER TO ITS IMPOVERISHED AND NEGLECTED RURAL MASS AND URBAN POOR. FINALLY, HE DETAILED HIS VIEWS ON THE IMPORTANCE OF REDUCING PERU'S ARMS PURCHASES, WHEN CANCELLATION OF THE PURCHASE OF ONE MIRAGE 2000 WOULD PERMIT HIM TO PURCHASE 1,000 TRACTORS.

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9. MEETING WITH PRIME MINISTER AND MINISTER OF ECONOMY, LUIS ALVA CASTRO. SENATOR BRADLEY GAVE ALVA CASTRO AN OUTLINE OF HIS VIEWS ON THE INTERNATIONAL DEBT ISSUE. HE COMPARED THE SERVICING OF LATIN AMERICAN DEBT IN THE 1980'S WITH GERMANY'S REPARATION PAYMENTS IN THE 1920'S. THE SOLUTION TRIED FOR GERMANY, HOWEVER, WOULD NOT BE APPLICABLE TO LATIN AMERICA TODAY SINCE THAT WOULD ENTAIL USING VIRTUALLY ALL AVAILABLE FOREIGN EXCHANGE FOR DEBT SERVICE, LEAVING NOTHING TO FINANCE INVESTMENT AND GROWTH. OUTLINING THE PERUVIAN POSITION, ALVA CASTRO REITERATED GOP COMMITMENT TO PAY NO MORE THAN THE EQUIVALENT 10 PERCENT OF THE VALUE OF EXPORTS FOR ALL FOREIGN DEBT OBLIGATIONS, WITH PREFERENCE GIVEN TO GOVERNMENTS AND MULTILATERAL LENDING INSTITUTIONS, PARTICULARLY THOSE WHICH WILL DISBURSE NEW FUNDS IN A RATIO OF 3 OR 4 TO ONE FOR REPAYMENTS. HE SAID THAT THE GOP'S ECONOMIC POLICIES WILL BE DESIGNED TO CUT INFLATION AND RAISE CONSUMPTION IN ORDER TO PROMOTE ECONOMIC GROWTH WHICH, IN TURN, WILL IMPROVE PURCHASING POWER AND PROMOTE PRODUCTION. IN CONJUNCTION WITH THIS, THE GOP WILL SEEK TO EXPAND EXPORT MARKETS, USING INSTALLED CAPACITY FOR NON-TRADITIONAL EXPORTS, WHILE STIMULATING DOMESTIC AGRICULTURAL PRODUCTION TO REDUCE DEPENDENCE ON IMPORTED FOODSTUFFS.

IN RESPONSE TO A QUESTION BY BRADLEY, ALVA CASTRO SAID THAT PERU WOULD EXAMINE ANY NEW FOREIGN INVESTMENT PROPOSALS CAREFULLY. HE AGREED THAT SUCH INVESTMENT MAY BE DESIRABLE, BUT NOTED THAT RATES OF RETURN ARE HIGHER IN OTHER LATIN AMERICAN NATIONS. REGARDING THE PETROLEUM SECTOR, ALVA CASTRO SAID THE CURRENT SITUATION DEVELOPED BECAUSE OCCIDENTAL ACCEPTED PERU'S POSITION WHILE BELCO DID NOT. ALTHOUGH INTERNORTH HAS INDICATED AN INTEREST IN RETURNING TO PERU, AN OFFER PERU WOULD ACCEPT, THE OLD BELCO FIELDS ARE NOW OWNED AND OPERATED BY PERU, AND WILL NOT REVERT TO BELCO OR INTERNORTH. THE NEGOTIATIONS CURRENTLY UNDERWAY ARE ONLY FOR COMPENSATION, NOT NEW OPERATION AREAS. ASKED BY THE SENATOR FOR SUGGESTIONS ON HOW THE U.S. MIGHT SEEK TO IMPROVE ITS RELATIONS WITH OTHER LATIN NATIONS, ALVA CASTRO MADE A VAGUE AND NON-COMMITAL RESPONSE. HE THEN LAUNCHED INTO A DEFENSE OF PERU'S NON-PAYMENT OF DEBT, CLAIMING THAT ALTHOUGH PERU WANTED TO PAY, IT COULD NOT. HE ASKED THAT WE NOT PRESS FOR PAYMENT AND THEREBY RUN THE RISK OF RUINING THE DEMOCRATIC SYSTEM HERE.

10. CALL ON SENATE PRESIDENT LUIS ALBERTO SANCHEZ. SENATOR BRADLEY TOLD SANCHEZ THAT DURING HIS MEETING WITH PRESIDENT GARCIA HE HAD FOUND THE PRESIDENT TO BE A LIKEABLE LEADER, WHO NEEDS TO BE BETTER UNDERSTOOD IN THE U.S. ACCORDING TO BRADLEY, GARCIA HAS A VERY IMPORTANT YEAR AHEAD OF HIM DURING WHICH HE COULD EITHER MAKE WRONG DECISION, AND HURT PERU, OR CONTINUE ON A POSITIVE COURSE AND EMERGE IN A BETTER POSITION THAN HE IS NOW. FOR GARCIA TO SUCCEED, SENATOR BRADLEY TOLD SANCHEZ, HE HAS TO FIND OUT "WHOM TO TRUST" IN THE REALM OF INTERNATIONAL AFFAIRS AND, SPECIFICALLY EXPRESSED CONCERN ABOUT PERU'S RELATIONS WITH THE SOVIET UNION. SANCHEZ ASSURED BRADLEY THAT APRA IS TRADITIONALLY AN ANTI-COMMUNIST MOVEMENT AND WOULD CONTINUE TO REJECT ANY DANGEROUS COALITION WITH COMMUNISTS. SANCHEZ ADDUCE THE PROFOUND ANTI-COMMUNISM OF APRA FOUNDER HAYA DE LA TORRE, WHO HAD ALWAYS REJECTED POSSIBILITY OF LIAISON

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WITH COMMUNISTS. SENATOR BRADLEY TOLD SANCHEZ HE DOES NOT BELIEVE APRA DEMOCRATS WOULD EVER CONSIDER SUCH A COALITION, BUT CAUTIONED THAT COMMUNISTS COULD INFILTRATE THE RULING PARTY AND PRESENT IT WITH AN UNACCEPTABLE POLITICAL CHOICE IN THE FUTURE. SANCHEZ, THE 85-YEAR OLD DOYEN OF APRA, LATER TOLD AMBASSADOR JORDAN HE HAD BEEN HIGHLY IMPRESSED WITH SENATOR BRADLEY'S QUESTIONS AND COMMENTS AND EXPRESSED DESIRE TO HAVE THE SENATOR MAKE A RETURN VISIT SOON.

11. MEETING WITH CENTRAL RESERVE BANK PRESIDENT, LEONEL FIGUEROA. AFTER PLEASANTRIES, SENATOR BRADLEY OUTLINED THE VARIOUS OPTIONS ON TREATMENT OF THE FOREIGN DEBT, WHICH WILL BE CONSIDERED THIS YEAR BY THE U.S. SENATE AS IT SEEKS TO FORMULATE A PLAN FOR HANDLING INTERNATIONAL DEBT ISSUES. HE EXPLAINED THAT THE SENATE PROBABLY WOULD NOT BE ABLE TO CONSIDER A BILL ON THE DEBT ISSUE BEFORE LATE SUMMER OR EARLY FALL OF 1986. RESPONDING TO SENATOR BRADLEY'S QUESTION ON PERU'S DEBT REPAYMENT PROBLEMS, FIGUEROA SAID THAT MOST OF THE PRESSURE RESULTS FROM PERU'S

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ARREARAGES, WHICH HAVE ACCUMULATED SINCE JULY 1984 AND NOW AMOUNT TO 40 PERCENT OF THE DEBT DUE IN 1986. ACCORDING TO HIM, THE ONLY VIABLE SOLUTION WILL BE TO RENEGOTIATE THE PUBLIC DEBT SEEKING FIXED INTEREST RATES, SET BELOW PRESENT WORLD BANK RATES. A THREE-YEAR GRACE PERIOD WOULD ALLOW THE GOP SOME BREATHING ROOM AND GIVE IT TIME TO INCREASE INVESTMENT IN PRODUCTION. REPAYMENT OF THE COMMERCIAL BANK DEBT MIGHT BE HANDLED WITH A SHORT GRACE PERIOD, FIXED INTEREST RATES, AND A 15-YEAR PAYBACK PERIOD. REGARDING REFINANCING OF DEBT WITH THE PRIVATE BANKS FIGUEROA RESPONDED THAT HE BELIEVES THE KEY TO A SUCCESSFUL SOLUTION LIES IN DIALOGUE. HE SAID MEETING BETWEEN FORMER RESERVE BANK PRESIDENT RICHARD WEBB AND THE BANK STEERING COMMITTEE ON JANUARY 15 IN NEW YORK YIELDED POSITIVE RESULTS. ANOTHER MEETING WAS TENTATIVELY SET FOR FEBRUARY 12, AND PERU WOULD CERTAINLY ATTEND. HE EMPHASIZED FACT THAT PERU IS PREPARING A COHESIVE FOUR-YEAR INVESTMENT PLAN TO BE READY BY LATE MARCH OR EARLY APRIL. THAT WOULD HELP THE COUNTRY UNDERSTAND JUST WHERE ITS PRIORITIES LAY AND HOW MUCH MONEY COULD BE SPENT. IT WOULD ALSO HELP IN THE PLANNING PROCESS, GIVE GUIDANCE ON NEW INVESTMENT, ALLOW THE CULLING OF PAST PROJECTS WHICH MAY HAVE BEEN ILL CONCEIVED, AND GENERALLY STRENGTHEN THE PLANNING PROCESS. FIGUEROA ALSO SUGGESTED THAT ALTERNATIVE FORMS OF DEBT PAYMENT BE EXAMINED, MENTIONING THE PRODUCT TRADE SCHEME USED WITH THE SOVIET UNION. AT THE CLOSE OF THE MEETING THE SENATOR INVITED MR. FIGUEROA TO CALL ON HIM SHOULD HE TRAVEL TO WASHINGTON IN THE FUTURE.

12. MEETING WITH FOREIGN MINISTER ALLAN WAGNER. SENATOR BRADLEY, ACCOMPANIED BY AMBASSADOR JORDAN AND DCM YOULE, CALLED ON FOREIGN MINISTER ALLAN WAGNER. DISCUSSING THE BILATERAL RELATIONSHIP, SENATOR BRADLEY TOLD WAGNER THAT THE MOST IMPORTANT MESSAGE THE GOP COULD SEND TO THE U.S. HAD BEEN DROWNED BY THE EXCESS OF HOSTILE RHETORIC AGAINST THE U.S. BRADLEY ADVISED THAT THE GOP SHOULD FIND A WAY TO RE-EMPHASIZE ITS DECISION TO HONOR DEBT REPAYMENT OBLIGATIONS, ALBEIT IN REDUCED AMOUNTS, AND THUS VIVIDLY DEMONSTRATE -- WITH FACTS -- ITS COMMITMENT TO HONOR ITS

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OBLIGATIONS. BRADLEY SUGGESTED THAT IF THIS COMMITMENT IS NOT MADE CLEAR IT WOULD NOT BE POSSIBLE TO ALLEVIATE U.S. CONCERNS. THE GOP, BRADLEY SAID, MUST ALSO SHOW THAT IT HAS A CLEAR INVESTMENT PLAN FOR THE FUTURE. IN RESPONSE, FONMIN WAGNER EXPRESSED AGREEMENT WITH THE SENATOR'S POINT AND ANNOUNCED THAT THE GOP IS NOW WORKING OUT A LONGER TERM PLAN TO DEAL WITH THE DEBT ISSUE AND WITH ECONOMIC PROBLEMS. "YOU WILL SOON SEE NEW MOVES ON OUR PART TO RESCUE THE DIALOGUE ON THE DEBT," WAGNER PROMISED. BRADLEY REMINDED WAGNER THAT THE GOP NEEDS A SOLID BACK-UP PLAN TO CONVINCE DOUBTERS; NOT SIMPLY TO ENUNCIATE ITS 10 PERCENT REPAYMENT FORMULA: RHETORIC MUST BE TRANSLATED INTO RESULTS FOR THE GOP TO BE ABLE TO GET ITS FULL MESSAGE AGROSS. SENATOR BRADLEY ASSURED A PLEASED WAGNER THAT HE IS PREPARED TO DO ANYTHING WITHIN HIS REACH TO MANAGE A CLEAR STRATEGY AT THE NEGOTIATING TABLE. WAGNER IN TURN ASSURED BRADLEY THAT THE GOP DOES NOT PROPOSE TO DISRUPT THE INTERNATIONAL FINANCIAL SYSTEM OR EVADE ITS DEBT RESPONSIBILITIES.

13. COMMENT: THE SENATOR DID NOT SHRINK FROM REPEATEDLY DELIVERING TOUGH MESSAGES TO HIS INTERLOCUTORS, WHETHER REGARDING DEBT, FOREIGN INVESTMENT, CENTRAL AMERICA OR THE SOVIET PRESENCE IN PERU. HOWEVER, HIS EASY PERSONAL STYLE, A GOODLY DOSE OF HUMOR, AND EFFECTIVE PLAY ON GENERATIONAL AFFINITY SMOOTHED MESSAGE RECEPTION AND LAID THE GROUNDWORK FOR CONTINUED DIALOGUE IN THE FUTURE. JORDAN
END OF MESSAGE

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